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**UNITED STATES BANKRUPTCY COURT
 EASTERN DISTRICT OF VIRGINIA
 (Richmond Division)**

In re:	*	Chapter 11
	*	
CIRCUIT CITY STORES, INC., et al.,	*	Case No. 08-35653 (KRH)
	*	
Debtors.	*	(Jointly Administered)
* * * * * *	*	* * * * *

**RESPONSE AND OBJECTION OF BETHESDA SOFTWORKS LLC TO
 THE FIRST AMENDED JOINT PLAN OF LIQUIDATION OF CIRCUIT CITY
 STORES, INC. AND ITS AFFILIATED DEBTORS AND DEBTORS IN POSSESSION
 AND ITS OFFICIAL COMMITTEE OF CREDITORS HOLDING GENERAL
UNSECURED CLAIMS**

Bethesda Softworks, LLC (“BSLLC”), pursuant to, *inter alia*, Bankruptcy Code Sections 503(a), (b)(9), 506(a), 507(a)(2), 1125(a)(1) and 1129(a)(1), (9)(A), respectfully responds and objects (the “Objection”) to the First Amended Joint Plan of Liquidation of Circuit City Stores, Inc. and its Affiliated Debtors and Debtors in Possession and Its Official Committee of Creditors Holding General Unsecured Claims (the “Plan”), and in support, BSLLC respectfully states as follows:

BSLLC’s Section 503(b)(9) Administrative Expense and Section 506(a) Secured Claim

1. BSLLC timely filed a request for payment of an administrative expense with priority under Bankruptcy Code Section 507(a)(2) (“Request”) pursuant to Bankruptcy Code

Section 503(a) and (b)(9) and this Court's "First Day Order" authorizing a deadline for filing requests for payment of certain administrative expenses arising under Bankruptcy Code Section 503(b)(9) (D.I. 107) in the amount of \$3,838,606.40. The Request has been designated as #1244 pursuant to a Stipulation and Consent Order approved by the Court (D.I. 2913). In the Request BSLLC seeks payment only for the value of goods received by the Debtors within 20 days before the commencement of the Debtors' Ch. 11 Cases and sold to the Debtors in the ordinary course of the Debtors' business. The Request does not seek payment for charges such as services, freight, shipping or taxes. The Request is fully documented with, among other things, purchase orders, shipment confirmations and invoices.

2. The Debtors' Statement of Financial Affairs, Item 3.b. (D.I. 1131) identifies 5 payments totaling \$140,108.04 made by the Debtors to BSLLC during the 90 days prior to the Petition Date. As reflected in the Request, and acknowledged in the Debtors' "Fifty-First Omnibus Objection" (D.I. 5214), subsequent to the last of such payments (on or before 10/16/08), BSLLC provided in excess of \$3.7MM in goods to the Debtors for which BSLLC has not been paid.

3. Pursuant to the Order entered by the Court on November 13, 2008 (D.I. 133), BSLLC timely delivered its Reclamation Notice/Demand with respect to goods (with a value of \$3,848,875.72) sold to the Debtors on credit prior to the Petition Date.

4. BSLLC timely filed its proof of claim (Official Form 10) which has been designated as #8476 with respect to any difference between the amount of its Bankruptcy Code Section 503(b)(9) administrative expense (as described in the Request) and the total amount

owed to BSLLC by the Debtors then (and now) calculated to be \$32,742.84 (\$3,871,349.24 - \$3,838,606.40).¹

5. According to Schedule F of the Debtors Schedules of Assets and Liabilities (D.I. 1130 at p. 793), the Debtors' books and records reflect that the aggregate amount owed to BSLLC as of the Petition Date was \$3,870,734.60.

Basis and Nature of Response/Objection

6. BSLLC joins, adopts, incorporates and applies the Objection of Paramount Home Entertainment to the Plan (D.I. 5667), as well as any other objections and responses to the Plan that are consistent with this Response and Objection. BSLLC further reserves its rights to amend and supplement this Response and Objection at, or prior to, any hearing on the Plan currently re-scheduled for December 21, 2009.

7. In addition, BSLLC incorporates by reference its Response and Objection to the Disclosure Statement (D.I. 4979), as well as its Response and Objection to the Debtors' Fifty-First Omnibus Objection (D.I. 5214). BSLLC joins, adopts, incorporates and applies the objections and responses to the Debtors' Forty-Eighth through Fiftieth and Fifty-Second Omnibus Objections (D.I. 5211, 5212, 5213, and 5216), and the arguments of counsel in opposition to all Omnibus Objections considered at the hearing held before the Court on November 12, 2009. In particular, BSLLC respectfully disagrees with the Court's ruling from the bench on the "setoff" issue at that hearing to the extent that it permits the Plan to be utilized

¹ In discussions with the Debtors' counsel, the Debtors have identified accounts receivable of \$198,829 that the Debtors believe are due to the Debtors from BSLLC (the "ARs") (\$82,500 Pre-Petition; \$116,329 Post-Petition). The Debtors believe that the ARs may be offset against amounts due to BSLLC. No contested matter or adversary proceeding has been commenced with respect to the ARs. To the extent that the ARs may be offset against the amounts due to BSLLC, BSLLC has an allowed secured claim under Bankruptcy Code Section 506(a) of at least \$32,742.84.

to eliminate BSLLC's secured claim under Bankruptcy Code Section 506(a) and transformed into a general unsecured claim.

WHEREFORE, BSLLC respectfully submits that the Plan does not comply with, among other things, the provisions of the Bankruptcy Code previously enumerated and that the Plan, therefore, cannot be confirmed; BSLLC respectfully requests that the Court grant such other and further relief in favor of BSLLC as the Court deems just and proper.

Respectfully submitted:

Bethesda Softworks LLC
By Counsel,

Dated: November 16, 2009

/s/ John G. McJunkin
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CERTIFICATE OF SERVICE

The undersigned certifies that on the 16th day of November, 2009 a true and correct copy of the Response and Objection of Bethesda Softworks LLC to the First Amended Joint Plan of Liquidation of Circuit City Stores, Inc. and Its Affiliated Debtors and Debtors in Possession and Its Official Committee of Creditors Holding General Unsecured Claims was served by electronic means through the ECF system and/or via email (together "ECF") upon:

ECF	Circuit City Stores, Inc. 4951 Lake Brook Drive, Suite #500 Glen Allen, VA 23060 Attn: Michelle Mosier
ECF	Skadden, Arps, Slate, Meagher & Flom LLP One Rodney Square 10 th and King Streets, 7 th Floor Wilmington, DE 19801 Attn: Gregg M. Galardi Attn: Ian S. Fredericks
ECF	Skadden, Arps, Slate, Meagher & Flom, LLP 155 N. Wacker Drive Chicago, IL 60606 Attn: Chris L. Dickerson Attn: Jessica S. Kumar
ECF	McGuire Woods LLP One James Center 901 E. Cary Street Richmond, VA 23219 Attn: Douglas M. Foley Attn: Sara B. Boehm
ECF	Pachulski Stang Ziehl & Jones LLP 10100 Santa Monica Boulevard, 11 th Floor Los Angeles, CA 90067 Attn: Jeffrey N. Pomerantz Attn: Stanley E. Goldich

ECF Tavenner & Beran, PLC
20 N. Eighth Street, Second Floor
Richmond, VA 23219
Attn: Lynn L. Tavenner
Attn: Paula S. Beran

ECF The United States Trustee
701 East Broad Street, Suite 4304
Richmond, VA 23219
Attn: Robert B. Van Arsdale

/s/ John G. McJunkin
John G. McJunkin